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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-028]

Anti-Circumvention Inquiry of Antidumping Duty Order on Hydrofluorocarbon Blends from the People's Republic of China – HFC Components: Final Determination Not to Include Within the Scope of the *Order*

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Commerce) determines not to include hydrofluorocarbon (HFC) components R-32 (difluoromethane), R-125 (pentafluoroethane), and R-143a (1,1,1,-trifluoroethane), imported into the United States from the People's Republic of China (China), within the scope of the antidumping duty (AD) order on HFC blends from the China.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Benjamin Lubberda or Melissa Kinter, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2185 or (202) 482-1413, respectively.

SUPPLEMENTARY INFORMATION:

Background

On April 10, 2020, Commerce published the *Preliminary Determination*¹ of circumvention of the antidumping duty order on HFC blends from China with respect to HFC components R-32, R-125, and R-143a that are imported from China and further processed into HFC blends subject to the *Order*.² A summary of the events that occurred since Commerce published the *Preliminary Determination* are discussed in the Issues and Decision Memorandum.³ The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Scope of the Order

The products subject to the *Order* are HFC blends. HFC blends covered by the scope are R-404A, a zeotropic mixture consisting of 52 percent 1,1,1 Trifluoroethane, 44 percent Pentafluoroethane, and 4 percent 1,1,1,2-Tetrafluoroethane; R-407A, a zeotropic mixture of 20 percent Difluoromethane, 40 percent Pentafluoroethane, and 40 percent 1,1,1,2-Tetrafluoroethane; R-407C, a zeotropic mixture of 23 percent Difluoromethane, 25 percent Pentafluoroethane, and 52 percent 1,1,1,2-Tetrafluoroethane; R-410A, a zeotropic mixture of 50

¹ See *Hydrofluorocarbon Blends from the People's Republic of China: Affirmative Preliminary Determination of Circumvention of the Antidumping Duty Order for HFC Components; and Extension of the Time Limit for Final Determination*, 85 FR 20248 (April 10, 2020) (*Preliminary Determination*).

² See *Hydrofluorocarbon Blends from the People's Republic of China: Antidumping Duty Order*, 81 FR 55436 (August 19, 2016) (*Order*).

³ See Memorandum, "Final Issues and Decision Memorandum for Anti-Circumvention Inquiry of the Antidumping Duty Order on Hydrofluorocarbon Blends from the People's Republic of China: HFC Components," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

percent Difluoromethane and 50 percent Pentafluoroethane; and R-507A, an azeotropic mixture of 50 percent Pentafluoroethane and 50 percent 1,1,1-Trifluoroethane also known as R-507. The foregoing percentages are nominal percentages by weight. Actual percentages of single component refrigerants by weight may vary by plus or minus two percent points from the nominal percentage identified above.⁴

Any blend that includes an HFC component other than R-32, R-125, R-143a, or R-134a is excluded from the scope of the *Order*.

Excluded from the *Order* are blends of refrigerant chemicals that include products other than HFCs, such as blends including chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs), hydrocarbons (HCs), or hydrofluoroolefins (HFOs).

Also excluded from the *Order* are patented HFC blends, including, but not limited to, ISCEON® blends, including MO99™ (R-438A), MO79 (R-422A), MO59 (R-417A), MO49Plus™ (R-437A) and MO29™ (R-422D), Genetron® Performax™ LT (R-407F), Choice® R-421A, and Choice® R-421B.

HFC blends covered by the scope of the *Order* are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings 3824.78.0020 and 3824.78.0050. Although the HTSUS subheadings are provided for convenience and customs purposes, the

⁴ R-404A is sold under various trade names, including Forane® 404A, Genetron® 404A, Solkane® 404A, Klea® 404A, and Suva®404A. R-407A is sold under various trade names, including Forane® 407A, Solkane® 407A, Klea®407A, and Suva®407A. R-407C is sold under various trade names, including Forane® 407C, Genetron® 407C, Solkane® 407C, Klea® 407C and Suva® 407C. R-410A is sold under various trade names, including EcoFluor R410, Forane® 410A, Genetron® R410A and AZ-20, Solkane® 410A, Klea® 410A, Suva® 410A, and Puron®. R-507A is sold under various trade names, including Forane® 507, Solkane® 507, Klea®507, Genetron®AZ-50, and Suva®507. R-32 is sold under various trade names, including Solkane®32, Forane®32, and Klea®32. R-125 is sold under various trade names, including Solkane®125, Klea®125, Genetron®125, and Forane®125. R-143a is sold under various trade names, including Solkane®143a, Genetron®143a, and Forane®125.

written description of the scope is dispositive.⁵

Merchandise Subject to the Anti-Circumvention Inquiry

The anti-circumvention inquiry covers imports of HFC components R-32 (difluoromethane), R-125 (pentafluoroethane), and R-143a (1,1,1-trifluoroethane) from China that are further processed in the United States to create an HFC blend that would be subject to the *Order*.⁶

Final Determination

In the *Preliminary Determination*, we determined that imports of HFC components R-32, R-125, and R-143a from China were circumventing the *Order*. Specifically, we determined that imports of HFC components R-32, R-125, and R-143a from China are being finished and sold in the United States pursuant to the statutory and regulatory criteria laid out in section 781(a) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.225(g). We based our *Preliminary Determination* upon record evidence submitted by the petitioners,⁷ Arkema,⁸ BMP,⁹ National Refrigerants, Inc., T.T. International Co., Ltd., Zhejiang Quzhou Juxin Fluorine Chemical Co., Ltd., Zhejiang Sanmei Chemical Ind. Co., Ltd., and other interested parties. For a complete

⁵ See *Order*.

⁶ As detailed in the “Scope of the *Order*” section of this notice, the *Order* covers five HFC blends (*i.e.*, R-404A, R-407A, R-407C, R-410A, and R-507/R-507A).

⁷ The petitioner in this anti-circumvention inquiry is the American HFC Coalition, which is comprised of the following companies: Arkema, Inc. (Arkema); The Chemours Company FC LLC; Honeywell International Inc.; and Mexichem Fluor Inc.

⁸ In addition to its membership in the American HFC Coalition, Arkema was selected as one of the mandatory respondents in this inquiry. See Memorandum, “Anti-Circumvention Inquiry of the Antidumping Duty Order on Hydrofluorocarbon Blends from the People’s Republic of China: Hydrofluorocarbon Components – Respondent Selection,” dated December 18, 2019.

⁹ BMP USA, Inc., iGas USA Inc., Assured Comfort A/C Inc., BMP International, Inc., LM Supply Inc., and Cool Master U.S.A., L.L.C. (collectively, BMP).

discussion of the evidence which led to our preliminary determination, *see the Preliminary Determination*.

Subsequently, on July 6, 2020, the United States International Trade Commission (ITC), pursuant to section 781(e)(3) of the Act, informed Commerce that it believed that an affirmative final determination by Commerce on HFC components from China would raise a significant injury issue.¹⁰ Specifically, the ITC stated in its written advice:

{T}he {ITC} believes a final determination by Commerce that HFC components from China are covered by the scope of the HFC blends from China antidumping duty order under the anti-circumvention provisions of the statute would be inconsistent with the {ITC}'s final determination in its original HFCs investigation that the domestic HFC component industry in the United States was not materially injured or threatened with material injury by imports of those same components from China.¹¹

Based on the ITC's advice, we determine that the merchandise subject to this anti-circumvention inquiry should not be included within the scope of the *Order*. Thus, for the final determination, we have determined not to include HFC components R-32 (difluoromethane), R-125 (pentafluoroethane), and R-143a (1,1,1-trifluoroethane) from China that are further processed in the United States to produce subject HFC blends to be within the scope of the *Order*.

Discontinuation of Suspension of Liquidation

As a result of this determination, and consistent with 19 CFR 351.225(l)(3), we intend to direct U.S. Customs and Border Protection to discontinue suspension of liquidation and to refund all cash deposits of estimated antidumping duties for unliquidated entries of merchandise subject

¹⁰ See ITC's Letter, "Anticircumvention Inquiry of the Antidumping Duty Order on Hydrofluorocarbon Blends from the People's Republic of China, A-570-028; HFC Components from China," dated July 6, 2020.

¹¹ *Id.*

to this inquiry that are entered, or withdrawn from warehouse, for consumption on or after June 18, 2019, the date of initiation of this anti-circumvention inquiry.¹²

Notification Regarding Administrative Protective Order

This notice also serves as a reminder to parties subject to the administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 781(a) of the Act and 19 CFR 351.225(f)(4)-(5).

Dated: August 13, 2020.

Joseph A. Laroski Jr.,

Deputy Assistant Secretary

for Policy and Negotiations.

¹² See *Hydrofluorocarbon Blends from the People's Republic of China: Initiation of Anti-Circumvention Inquiry of Antidumping Duty Order; Components*, 84 FR 28273, 28275 (June 18, 2019).

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

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